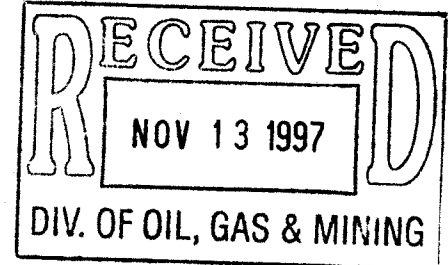


Kennecott Utah Copper Corporation
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Elaine J. Dorward-King, Ph.D.
Director, Environmental Affairs



Kennecott

November 10, 1997

Mr. D. Wayne Hedberg
Permit Supervisor, Mineral Regulatory Program
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Your Letter of July 8, 1997 - Request for Updated Notice of Intent

Dear Mr. Hedberg:

This letter responds to your letter of July 8, 1997 requesting that Kennecott Utah Copper Corporation (KUC) update the original mining and reclamation plan for the Bingham Canyon Mine. As described in this letter, KUC is able and prepared to provide much of the information requested in your letter. However, KUC does not agree that updating the NOI for the Bingham Canyon Mine is necessary to maintain compliance with the Mined Land Reclamation Act and the Division's implementing regulations. To the contrary, KUC believes that it is presently in compliance with the Mined Land Reclamation Act, the Division's regulations and the NOI approved by the Board of Oil, Gas and Mining on September 28, 1978. KUC's understanding with respect to this matter is addressed in this letter.

Information Request

As required by the 1978 NOI, KUC annually provides to the Division a description of the reclamation activities that have taken place within the permit area during the previous year. These descriptions include information regarding the part of the permit area where activity took place, type of activity, plant species and number of acres reclaimed. KUC will provide the Division with updated operational information regarding the Bingham Canyon Mine as part of the annual reclamation plan. The update will include maps which depict surface features at the property, descriptions of the number and types of equipment used in the pit, summaries of the status of each of the seven activities identified in the 1978 NOI, and a discussion of the changes, if any, in the nature of KUC's mining operations under the 1978 NOI during the year. Updated surface maps for the Bingham Canyon Mine will include new surface features, such as the new mine access road.

In addition to the recent series of detailed surface facilities maps provided to you for each of the four permit areas, a detailed map that was clearly color keyed for the four KUC permit areas was provided to you with the reclamation report for 1996 (submitted January 29, 1997). If you need additional copies of this keyed map or any of the other maps provided to you in early 1997 we can provide those.

KUC's reclamation objectives and plan for the Bingham Canyon Mine have not changed from the plan submitted to the Division and approved by the Board in 1978:

Surface facilities including buildings, railroad tracks, power lines and poles and equipment will be removed from the mine area when no longer needed in the mining or subsequent operations

The difficulty in planning for the ultimate reclamation of a property with the expected life of the Bingham Canyon Mine has not changed since the reclamation plan was developed in 1978. KUC believes that the annual reclamation updates continue to be an effective means of defining and implementing specific reclamation activities to achieve the reclamation goals of the Mined Land Reclamation Act as incorporated in the 1978 NOI and Reclamation Plan. In order to improve the reclamation planning process, KUC will provide the Division with reclamation plans that extend beyond the one year time frame used in the past. These plans will reflect the current understanding of mining and waste rock disposal plans. As site-specific reclamation measures are developed, they will be incorporated in these planning documents. KUC anticipates that the first set of reclamation plans using this format will be available for submittal in mid-1998.

Information submitted by KUC will not include matters related to the Barney's Canyon Mine, because that mining operation is conducted by Kennecott Minerals Company, not KUC. Any questions regarding the Barney's operation should be directed to Fred Fox at 801/238-2492.

Status of the 1978 NOI for the Bingham Canyon Mine

KUC's understanding is that under the Mined Land Reclamation Act an NOI remains valid for the life of a mining operation and that rules adopted by the Board after an NOI is approved may not be retroactively applied to a reclamation plan included as part of the approved NOI. The 1978 NOI identifies the location of the mining operations to be conducted by KUC by section, township and range, describes the approximate acreage to be disturbed by seven activities, describes the types of mining operations to be conducted and includes a Mining and Reclamation Plan. The Mining and Reclamation Plan expressly states that because of the long expected life of the Bingham Canyon Mine it is "not even possible to determine the approximate land uses at the end of the mining operation." The Plan then describes the steps that will be implemented to achieve the Mined Land Reclamation Act's and Kennecott's reclamation goals for the Bingham Canyon Mine in the context of each of the seven activity areas. Throughout the Plan, the prospect of additional development and the use of new mining methods are expressly acknowledged. The plan was incorporated in the Mined Land Reclamation Contract approved by the Board on September 28, 1978.

KUC understands the Mined Land Reclamation Act and the 1978 NOI authorize KUC to continue mining operations at the Bingham Mine without further approval from the Division to the extent that the activities are within the area described in Item 13 of the NOI and do not require a substantial change in the nature of the 1978 Reclamation Plan. In an effort to keep the Division appraised of operations at the Bingham Canyon Mine, KUC will provide the information described above as part of the annual reclamation reporting process established by the 1978 NOI.

Please contact me if you have questions regarding the information the KUC will provide or if you would like to discuss the matter further.

Sincerely,

A handwritten signature in dark ink, appearing to read "Elaine J. Dorward-King". The signature is fluid and cursive, with a long horizontal stroke at the end.

Elaine J. Dorward-King, Ph.D.
Director, Environmental Affairs

cc: Mary Ann Wright, DOGM